

This record is a partial extract of the original cable. The full text of the original cable is not available.

031535Z Feb 03

C O N F I D E N T I A L ANKARA 000854

SIPDIS

STATE FOR P, E, EB AND EUR  
STATE PASS USTR FOR NOVELLI  
NSC FOR EDSON, QUANRUD AND BRYZA  
USDOC FOR U/S ALDONIS

E.O. 12958: DECL: 02/03/2013

TAGS: [ETRD](#) [PREL](#) [ECON](#) [TU](#)

SUBJECT: THIS IS THE WEEK TO PRESENT A SIGNIFICANT TRADE  
PACKAGE TO TURKEY

REF: ANKARA 0081

Classified by DCM Robert Deutsch. Reason: 1.5 (b,d)

[11.](#) (C) We understand that Washington agencies have been working hard over the past few weeks to develop a trade package that we could offer to Turkey as part of our effort to get the Turks to "yes" on Iraq. From our limited point of view, this is decision week. If we are to influence Turkey's decision positively, we need to present as substantive a package as possible in the next few days, prior to a possible Turkish Parliament debate on Friday.

[12.](#) (C) As we understand it, the package under discussion includes:

-- A commitment to submit to Congress revised QIZ legislation, which would completely drop the existing footwear, leather, and flatware exclusions, and allow textile QIZs subject to minimum levels of U.S. product input;

-- Allowing Turkey to participate in the 807/809 program, under which Turkish garments could be exported quota-free to the United States provided they included minimum amounts of U.S. fabric or yarn;

-- Approving Turkey's petition to authorize GSP benefits for gold jewelry, and its petitions for redesignation of capers, pignolia/pistachio nuts, and dried tomatoes. Possibly also seeking Congressional authorization for additional 2002 products, including figs and dried apriocots;

[13.](#) (C) We strongly support offering "clean" QIZ legislation and expanded GSP benefits, but we are less sure about the 807/809 program. Turkey did ask for it in 1997, but our discreet soundings reveal little interest in it now. To ensure our package brings the greatest possible political benefits, Embassy strongly recommends that Washington offer textile quota shifts, with an estimated value of \$60 million, in addition to the 807/809 program. The combination of quota shifts and GSP benefits on gold jewelry -- with a combined estimated value of some \$150 million in additional exports -- would make the package tangible, and therefore of much greater benefit to our broader efforts here.

[14.](#) (C) We also recommend that the package include points reiterating our willingness to discuss an FTA if the GOT can confirm its ability/willingness to pursue a comprehensive agreement within the parameters of its Customs Union with the EU, as well as forward-leaning points on our intention to promote U.S.-Turkish business partnerships in a possible Iraq reconstruction effort (along the lines of existing cooperation on Afghan reconstruction).

--  
PEARSON